

**East Carroll Parish School Board
Lake Providence, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2000**

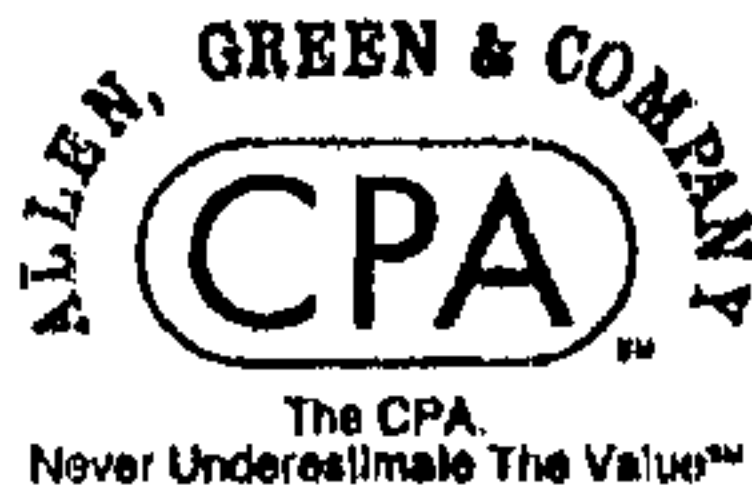
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/24/01

**East Carroll Parish School Board
Annual Financial Report**

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INDEPENDENT AUDITORS' REPORT

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the accompanying GENERAL-PURPOSE FINANCIAL STATEMENTS of the East Carroll Parish School Board, as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly in all material respects the financial position of the School Board as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have issued our report dated October 6, 2000, on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the School Board, taken as a whole. The accompanying SUPPLEMENTAL INFORMATION is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also, the accompanying OTHER INFORMATION, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 6, 2000

EAST CARROLL PARISH SCHOOL BOARD

**Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2000**

*****GOVERNMENTAL FUNDS*****

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>FIDUCIARY FUNDS - AGENCY</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 3,087,257	\$ 93,591	\$ 58,331	\$ 109,943
Investments	149,226	0	0	0
Receivables	328,198	758,922	0	0
Interfund receivable	545,418	81,709	8,342	0
Inventory	0	10,501	0	0
Fixed assets	0	0	0	0
Other debits:				
Amount to be provided for payment of long-term debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 4,110,099	\$ 944,723	\$ 66,673	\$ 109,943
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 855,169	\$ 401,463	\$ 0	\$ 0
Interfund payable	90,051	492,474	52,944	0
Deferred revenues	0	7,637	0	0
Deposits due others	0	0	0	109,943
Compensated absences payable	0	0	0	0
Total Liabilities	\$ 945,220	\$ 901,574	\$ 52,944	\$ 109,943
Equity and Other Credits:				
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:				
Reserved for inventory	0	10,501	0	0
Reserved for salary enhancements	1,400,434	0	0	0
Reserved for salary enhancements and construction and maintenance	567,795	0	0	0
Unreserved:				
Undesignated	1,196,650	32,648	13,729	0
Total Equity and Other Credits	\$ 3,164,879	\$ 43,149	\$ 13,729	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 4,110,099	\$ 944,723	\$ 66,673	\$ 109,943

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

*****ACCOUNT GROUPS*****

GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
\$ 0	\$ 0	\$ 3,349,122
0	0	149,228
0	0	1,087,120
0	0	635,469
0	0	10,501
11,794,019	0	11,794,019
0	261,181	261,181
<u>\$ 11,794,019</u>	<u>\$ 261,181</u>	<u>\$ 17,286,638</u>
\$ 0	\$ 0	\$ 1,256,632
0	0	635,469
0	0	7,637
0	0	109,943
0	261,181	261,181
<u>\$ 0</u>	<u>\$ 261,181</u>	<u>\$ 2,270,862</u>
\$ 11,794,019	\$ 0	\$ 11,794,019
0	0	10,501
0	0	1,400,434
0	0	567,795
0	0	1,243,027
<u>\$ 11,794,019</u>	<u>\$ 0</u>	<u>\$ 15,015,776</u>
<u>\$ 11,794,019</u>	<u>\$ 261,181</u>	<u>\$ 17,286,638</u>

EAST CARROLL PARISH SCHOOL BOARD

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds For the Year Ended June 30, 2000

Statement B

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 310,039	\$ 0	\$ 0	\$ 310,039
Sales and use	1,469,519	0	0	1,469,519
Interest earnings	326,583	3,489	5,257	335,329
Food service	0	34,359	0	34,359
Other	124,716	69,985	502,963	697,664
State sources:				
Equalization	6,869,762	242,482	0	7,112,244
Other	357,772	309,932	0	667,704
Federal sources	20,656	2,813,834	0	2,834,490
Total revenues	\$ 9,479,047	\$ 3,274,081	\$ 508,220	\$ 13,261,348
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 4,409,078	\$ 165,577	\$ 0	\$ 4,574,655
Special programs	813,613	837,993	0	1,651,606
Other instructional programs	175,582	323,036	0	498,618
Support services:				
Student services	292,446	163,787	0	456,213
Instructional staff support	263,294	276,987	0	540,281
General administration	254,724	25,623	0	280,347
School administration	629,972	0	0	629,972
Business services	155,081	5,952	0	161,033
Plant services	882,238	259,981	0	1,122,219
Student transportation services	445,249	15,502	0	460,751
Central services	9,167	0	0	9,167
Food services	167,159	1,284,166	0	1,451,325
Community service program	3,801	0	0	3,801
Facilities acquisition and construction	454,182	0	626,072	1,080,254
Total expenditures	\$ 8,935,586	\$ 3,358,584	\$ 626,072	\$ 12,920,242
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 543,461	\$ (84,503)	\$ (117,852)	\$ 341,106

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - All Governmental Funds
For the Year Ended June 30, 2000**

Statement B

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 55,310	\$ 99,134	\$ 161,581	\$ 316,025
Operating transfers out	(286,025)	0	(30,000)	(316,025)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (230,715)	\$ 99,134	\$ 131,581	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 312,746	\$ 14,631	\$ 13,729	\$ 341,106
FUND BALANCES AT BEGINNING OF YEAR	2,852,133	28,518	0	2,880,651
FUND BALANCES AT END OF YEAR	\$ 3,164,879	\$ 43,149	\$ 13,729	\$ 3,221,757

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - (Non-GAAP) Budget and Actual - All Governmental Funds - General Fund For the Year Ended June 30, 2000

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 305,772	\$ 310,039	\$ 4,267
Sales and use	1,558,000	1,469,519	(88,481)
Interest earnings	316,352	326,583	10,231
Other	103,650	124,716	21,066
State sources:			
Equalization	6,869,763	6,869,762	(1)
Other	472,965	338,159	(134,806)
Federal sources	89,122	40,269	(48,853)
 Total revenues	 \$ 9,715,624	 \$ 9,479,047	 \$ (236,577)
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,590,904	\$ 4,409,078	\$ 181,826
Special programs	810,603	813,613	(3,010)
Other instructional programs	320,605	175,582	145,023
Support services:			
Student services	330,083	292,446	37,637
Instructional staff support	270,535	263,294	7,241
General administration	268,950	254,724	14,226
School administration	637,360	629,972	7,388
Business services	164,400	155,081	9,319
Plant services	901,943	862,238	39,705
Student transportation services	446,410	445,249	1,161
Central services	5,000	9,167	(4,167)
Food services	0	167,159	(167,159)
Community service program	4,083	3,801	282
Facilities acquisition and construction	457,788	454,182	3,606
 Total expenditures	 \$ 9,208,864	 \$ 8,935,586	 \$ 273,078
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 506,960	 \$ 543,461	 \$ 36,501

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
(Non-GAAP) Budget and Actual - All Governmental Funds - General Fund
For the Year Ended June 30, 2000**

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 55,310	\$ 55,310
Operating transfers out	<u>(151,000)</u>	<u>(286,025)</u>	<u>(135,025)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>\$ (151,000)</u>	 <u>\$ (230,715)</u>	 <u>\$ (79,715)</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 <u>\$ 355,960</u>	 <u>\$ 312,746</u>	 <u>\$ (43,214)</u>
 FUND BALANCES AT BEGINNING OF YEAR	 <u>2,852,133</u>	 <u>2,852,133</u>	 <u>0</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 3,208,093</u>	 <u>\$ 3,164,879</u>	 <u>\$ (43,214)</u>

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - (Non-GAAP) Budget and Actual - All Governmental Funds - Special Revenue Funds For the Year Ended June 30, 2000

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 2,500	\$ 3,489	\$ 989
Food service	35,500	34,359	(1,141)
Other	0	81,414	81,414
State sources:			
Equalization	242,482	242,482	0
Other	267,316	396,810	129,494
Federal sources	<u>2,539,738</u>	<u>2,515,527</u>	<u>(24,211)</u>
 Total revenues	 <u>\$ 3,087,536</u>	 <u>\$ 3,274,081</u>	 <u>\$ 186,545</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 181,666	\$ 165,577	\$ 16,089
Special programs	898,554	837,993	60,561
Other instructional programs	297,426	323,036	(25,610)
Support services:			
Pupil support	191,680	163,767	27,913
Instructional staff support	275,012	276,987	(1,975)
General administration	23,247	25,623	(2,376)
Business services	5,952	5,952	0
Plant services	125,872	259,981	(134,109)
Student transportation services	14,645	15,502	(857)
Food services	<u>1,163,100</u>	<u>1,284,166</u>	<u>(121,066)</u>
 Total expenditures	 <u>\$ 3,177,154</u>	 <u>\$ 3,358,584</u>	 <u>\$ (181,430)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (89,618)</u>	 <u>\$ (84,603)</u>	 <u>\$ 5,115</u>
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 99,134	\$ 99,134
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>\$ 0</u>	 <u>\$ 99,134</u>	 <u>\$ 99,134</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 <u>\$ (89,618)</u>	 <u>\$ 14,631</u>	 <u>\$ 104,249</u>
 FUND BALANCES AT BEGINNING OF YEAR	 <u>15,129</u>	 <u>28,518</u>	 <u>13,389</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ (74,489)</u>	 <u>\$ 43,149</u>	 <u>\$ 117,638</u>
			(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

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East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying general-purpose financial statements of the East Carroll Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The East Carroll Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within East Carroll Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine members who are elected from nine districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 1,981 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS AND ACCOUNT GROUPS The accounts of the School Board are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds include:

General fund --- the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in other funds.

Special revenue funds --- account for revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

Capital project funds --- account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. They are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activity fund --- accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Retirement insurance fund --- accounts for assets held by the School Board as an agent for individual retirees of the School Board.

Account Groups The *general fixed assets account group* is used to account for all fixed assets of the School Board. The *general long-term obligations account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Substantially all other expenditures are recognized when the related liability has been incurred.

Other Financing Sources (Uses) Capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. BUDGETS

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

State statute requires budgets be adopted for the general fund and all special revenue funds.

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board. All budget revisions are approved by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. INVESTMENTS investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The investments are reflected at quoted market prices except for the following which are permitted per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

H. INVENTORIES Inventories of the governmental fund type are recorded as expenditures as purchased except for inventory of the child nutrition fund.

Inventory of the child nutrition special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

consumed. Unused commodities at June 30, 2000, are reported as deferred revenue. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

I. FIXED ASSETS Fixed assets used in governmental fund types of the School Board are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest during construction is not capitalized on general fixed assets.

Approximately 90% of fixed assets are valued at actual costs, while the remaining 10% are valued at estimated cost based on the actual cost of like items. Public domain (infrastructure) general fixed assets (i.e. roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

J. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The School Board has the following policies for vacation and sick leave:

All 12-month employees earn 10 days of vacation leave each year. Vacations must be taken during the fiscal year or otherwise forfeited. All School Board employees earn 10 days of sick leave each year. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criteria for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

L. LONG-TERM OBLIGATIONS The School Board reports long-term obligations of governmental funds at face value in the general long-term obligations account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term obligations account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

M. FUND EQUITY

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

Reserves Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific purpose.

Designated fund balances Designated fund balances represent tentative management plans for future use of financial resources that are subject to change.

N. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as deductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. SALES TAXES The East Carroll Parish School Board has three sales tax ordinances as follows:

The School Board has a one-percent parish-wide sales and use tax as authorized in a special election held December 1967. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used exclusively to supplement the payment of salaries for teachers in the public elementary and secondary schools of the parish and/or for the expenses of operating the schools. Such operating expenses include payment of salaries of other personnel employed by the School Board.

The School Board also has an additional one percent sales and use tax as authorized in a special election held July 17, 1993. In accordance with the proposition approved by voters of the Parish, the net proceeds of the tax are to be used for the purpose of salary enhancement for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees. In October 1998, voters approved a new one-percent sales and use tax. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used for salary enhancements for teachers and other employees of the School Board, construction, improvement, and maintenance of schools.

P. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. MEMORANDUM ONLY - TOTAL COLUMNS The total columns on the general-purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - BUDGET/GAAP RECONCILIATION The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - (Non-GAAP) Budget to Actual, to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances:

	<u>General</u>	<u>Special</u> <u>Revenue</u>
Fund balances (budget)	\$ 3,164,879	\$ 43,149
Local revenues		
Other		(11,429)
State sources:		
Other	19,613	(86,878)
Federal sources	(19,613)	98,307
Fund balances (GAAP)	<u>\$ 3,164,879</u>	<u>\$ 43,149</u>

**East Carroll Parish School Board
Notes to the General-Purpose Financial Statements**

All budget/GAAP reporting differences are a result of classification.

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within East Carroll Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the East Carroll Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The East Carroll Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	August 1999
Levy date	August 1999
Tax bills mailed	On or about November 1, 1999
Due date	December 31, 1999
Lien date	January 1, 2000

Assessed values are established by the East Carroll Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$33,075,376 in calendar year 1999. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,685,901 of the assessed value in calendar year 1999.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the *Constitution of the state of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund. Revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2000 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2000 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

Constitutional	5.38	5.38	Statutory
Maintenance and operation	5.58	5.58	2008

NOTE 4 - CASH AND CASH EQUIVALENTS At June 30, 2000, the School Board has cash and cash equivalents (book balances) totaling \$3,349,122 as follows:

Demand deposit	\$ 42,073
Interest-bearing demand deposits	3,307,049
Time deposits	<u>149,226</u>
Total deposits	3,498,348
Less: Time deposits classified as investments	<u>149,226</u>
Total cash and cash equivalents	<u>\$3,349,122</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$3,498,348 and the bank balance was \$3,755,922. Of the bank balance, \$303,000 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance, \$3,452,922 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - RECEIVABLES The receivables at June 30, 2000, are as follows:

<u>Class of Receivable</u>	<u>General</u>	<u>Special</u>	<u>Total</u>
Taxes:			
Sales and use	\$157,656	\$ -	\$ 157,656
Intergovernmental - grants:			
Federal	22,323	699,820	722,143
State	118,547	59,052	177,599
Other	<u>29,672</u>	<u>50</u>	<u>29,722</u>
Total	<u>\$328,198</u>	<u>\$758,922</u>	<u>\$1,087,120</u>

NOTE 6 - FIXED ASSETS The changes in general fixed assets are as follows:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
Land	\$ 254,380	\$ -	\$ -	\$ 254,380
Buildings	5,985,623	1,017,627	-	7,003,250
Furniture and equipment	<u>4,087,472</u>	<u>457,595</u>	<u>8,678</u>	<u>4,536,389</u>
Total	<u>\$10,327,475</u>	<u>\$1,475,222</u>	<u>\$8,678</u>	<u>\$11,794,019</u>

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

NOTE 7 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2000, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	15.20%
Plan A	9.10%	15.20%
Louisiana School Employees' Retirement System	6.35%	.00%

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2000, amounted to \$5,696,772, \$125,009, and \$645,792, respectively. Employer contributions for the year ended June 30, 2000, and each of the two preceding years are as follows:

<u>Fiscal Year Ending</u>	<u>..... TRS</u>		<u>..... LSERS</u>	
	<u>Annual</u> <u>Actuarially</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>of Annual</u> <u>Required</u> <u>Contribution</u> <u>Paid</u>	<u>Annual</u> <u>Actuarially</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>of Annual</u> <u>Required</u> <u>Contribution</u> <u>Paid</u>
June 30, 1998	\$ 911,876	89.00	\$32,454	96.45
June 30, 1999	998,229	89.43	36,394	96.32
June 30, 2000	1,074,131	82.38	-	100.00

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 2000. Each annual actuarially required contribution for the year ended June 30, 2000, is based upon each plan's annual financial report for the year ended June 30, 1999, which is the latest information available.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS The East Carroll Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through Blue Cross/Blue Shield. The cost of benefits for retirees is paid jointly by the employee and the School Board. The School Board's portion of the cost for 2000 totaled \$232,143 for 126 retirees, and was recognized as an expenditure when the monthly premium was paid.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2000, are as follows:

	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Total</u>
Salaries and withholding	\$810,412	\$232,199	\$1,042,611
Accounts	<u>44,757</u>	<u>169,264</u>	<u>214,021</u>
Total	<u>\$855,169</u>	<u>\$401,463</u>	<u>\$1,256,632</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2000, employees of the School Board have accumulated and vested \$261,181 of employee leave benefits including \$28,565 of salary related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore, the liability of \$261,181 is recorded within the general long-term obligations account group.

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others follows:

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>at End</u> <u>of Year</u>
Agency funds:				
School activity fund	\$ 73,554	\$204,064	\$187,363	\$ 90,255
Retirement insurance fund	<u>29,093</u>	<u>72,627</u>	<u>82,032</u>	<u>19,688</u>
Total	<u>\$102,647</u>	<u>\$276,691</u>	<u>\$269,395</u>	<u>\$109,943</u>

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

NOTE 12 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2000:

	<u>Compensated Absences</u>
Balance at beginning of year	\$257,141
Additions	4,040
Deductions	-
Balance at end of year	<u>\$261,181</u>

NOTE 13 - INTERFUND TRANSACTIONS

Interfund receivable/payables:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 545,418	\$ 90,051
Capital projects	8,342	52,944
Special revenue funds		
Title I		163,333
Title VI	387	37,526
Title IV		1,681
IDEA	11,014	60,759
Preschool		4,721
Adult education		61,377
Other miscellaneous		134,822
Summer feeding		166
Child nutrition	<u>70,308</u>	<u>28,089</u>
Total	<u>\$635,469</u>	<u>\$635,469</u>

NOTE 14 - RISK MANAGEMENT The School Board is at risk for property damage, liability and theft which are covered by insurance policies. The School Board is also fully insured for workers' compensation.

NOTE 15 - LITIGATION AND CLAIMS

Litigation At June 30, 2000, the School Board was involved in various litigation. It is the opinion of the legal advisor for the School Board that the amount of potential loss to the Board is impossible to estimate.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. These programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$27,267. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

East Carroll Parish School Board
Notes to the General-Purpose Financial Statements

NOTE 17 - INTERFUND TRANSFERS Operating transfers for the year ended June 30, 2000, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 55,310	\$286,025
Capital projects	161,581	30,000
Special revenue funds		
Child nutrition	99,134	
Total	<u>\$316,025</u>	<u>\$316,025</u>

East Carroll Parish School Board

Special Revenue Funds

TITLE I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE VI This program was designed to assist state and local educational agencies improve elementary and secondary education.

CLASS SIZE REDUCTION (CSR) This program is designed to improve the learning of students by hiring additional, highly-qualified teachers, to reduce class sizes especially in the early grades, to enable children to attend smaller classes.

TITLE II This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

IDEA These grants to states assist the School Board in providing a free appropriate education to all children with disabilities.

PRESCHOOL These grants to states assist the School Board in providing a free appropriate public education to preschool disabled children aged three through five years.

ADULT EDUCATION This program was designed to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society; to enable adults who so desire to complete secondary school; and, to enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

OTHER MISCELLANEOUS

VOCATIONAL EDUCATION - BASIC GRANTS TO STATES This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

K-3 READING INITIATIVE The goal of this program is to improve the reading and math skills of Louisiana public school students in kindergarten through third grade.

LEARN The learn program provides grants to state education agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children. It supports top down and bottom up reform through subgrants by SEAs of 90 percent of these grant funds to local education agencies (LEAs) and through LEAs to individual schools. It supports the establishment by states and localities of high standards in their core content areas. All aspects of the educational process are aligned, including, but not limited to assessments, curriculum, professional development, and pre-service training.

MISCELLANEOUS STATE/FEDERAL GRANTS These include various small federal and state grants.

SUMMER FEEDING This program was established to ensure continued availability of high-quality meals during the summer months similar to those provided during the school year.

CHILD NUTRITION The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of physically fit adults.

EAST CARROLL PARISH SCHOOL BOARD

SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2000

	TITLE I	TITLE VI	TITLE II	TITLE IV
ASSETS				
Cash and cash equivalents	\$ 20,420	\$ 0	\$ 420	78
Receivables	363,920	54,989	3,156	2,219
Interfund receivable	0	387	0	0
Inventory	0	0	0	0
TOTAL ASSETS	\$ 384,340	\$ 55,376	\$ 3,576	2,297
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 221,007	\$ 17,645	\$ 3,576	616
Interfund payable	163,333	37,526	0	1,681
Deferred revenues	0	205	0	0
Total Liabilities	\$ 384,340	\$ 55,376	\$ 3,576	2,297
Fund Equity				
Fund Balances:				
Reserved for inventory	\$ 0	\$ 0	\$ 0	0
Unreserved and undesignated	0	0	0	0
Total Equity	\$ 0	\$ 0	\$ 0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 384,340	\$ 55,376	\$ 3,576	2,297

Exhibit 1

IDEA	PRESCHOOL	ADULT EDUCATION	OTHER MISCELLANEOUS	SUMMER FEEDING	CHILD NUTRITION	TOTAL
\$ 16,012	\$ 0	\$ 0	\$ 36,494	\$ 12,722	\$ 7,445	\$ 93,591
33,733	4,721	72,587	149,631	0	73,966	758,922
11,014	0	0	0	0	70,308	81,709
0	0	0	0	0	10,501	10,501
<u>\$ 60,759</u>	<u>\$ 4,721</u>	<u>\$ 72,587</u>	<u>\$ 186,125</u>	<u>\$ 12,722</u>	<u>\$ 162,220</u>	<u>\$ 944,723</u>
\$ 0	\$ 0	\$ 11,210	\$ 45,174	\$ 583	\$ 101,652	\$ 401,463
60,759	4,721	61,377	134,822	166	28,089	492,474
0	0	0	6,129	0	1,303	7,637
<u>\$ 60,759</u>	<u>\$ 4,721</u>	<u>\$ 72,587</u>	<u>\$ 186,125</u>	<u>\$ 749</u>	<u>\$ 131,044</u>	<u>\$ 901,574</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,501	\$ 10,501
0	0	0	0	11,973	20,675	32,648
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,973</u>	<u>\$ 31,176</u>	<u>\$ 43,149</u>
<u>\$ 60,759</u>	<u>\$ 4,721</u>	<u>\$ 72,587</u>	<u>\$ 186,125</u>	<u>\$ 12,722</u>	<u>\$ 162,220</u>	<u>\$ 944,723</u>

EAST CARROLL PARISH SCHOOL BOARD

**SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2000**

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>TITLE II</u>	<u>TITLE IV</u>
REVENUES				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	0
Food service	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	<u>1,268,194</u>	<u>126,686</u>	<u>25,994</u>	<u>11,614</u>
 Total revenues	 \$ <u>1,268,194</u>	 \$ <u>126,686</u>	 \$ <u>25,994</u>	 \$ <u>11,614</u>
 EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 339	\$ 109,786	\$ 0	0
Special programs	740,136	0	0	0
Other instructional programs	0	14,434	23,625	0
Support services:				
Student services	0	0	0	11,394
Instructional staff support	250,503	0	1,975	0
General administration	21,573	2,466	394	220
Business services	0	0	0	0
Plant services	254,786	0	0	0
Student transportation services	857	0	0	0
Food services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total expenditures	 \$ <u>1,268,194</u>	 \$ <u>126,686</u>	 \$ <u>25,994</u>	 \$ <u>11,614</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>
 OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>
 FUND BALANCES AT BEGINNING OF YEAR	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 FUND BALANCES AT END OF YEAR	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>

Exhibit 2

IDEA	PRESCHOOL	ADULT EDUCATION	OTHER MISCELLANEOUS	SUMMER FEEDING	CHILD NUTRITION	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 335	\$ 3,154	\$ 3,489
0	0	0	0	0	34,359	34,359
0	0	0	0	0	69,985	69,985
0	0	0	0	0	242,482	242,482
0	0	51,281	258,651	0	0	309,932
144,094	8,379	45,182	134,343	25,170	824,178	2,613,834
\$ 144,094	\$ 8,379	\$ 96,463	\$ 392,994	\$ 25,505	\$ 1,174,158	\$ 3,274,081
\$ 0	\$ 0	\$ 0	\$ 55,452	\$ 0	\$ 0	\$ 165,577
89,478	8,379	0	0	0	0	837,993
0	0	96,463	188,514	0	0	323,036
4,315	0	0	148,058	0	0	163,767
24,509	0	0	0	0	0	276,987
0	0	0	970	0	0	25,623
5,952	0	0	0	0	0	5,952
5,195	0	0	0	0	0	259,981
14,645	0	0	0	0	0	15,502
0	0	0	0	23,008	1,261,158	1,284,166
\$ 144,094	\$ 8,379	\$ 96,463	\$ 392,994	\$ 23,008	\$ 1,261,158	\$ 3,358,584
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,497	\$ (87,000)	\$ (84,503)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99,134	\$ 99,134
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99,134	\$ 99,134
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,497	\$ 12,134	\$ 14,631
0	0	0	0	9,476	19,042	28,518
\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,973	\$ 31,176	\$ 43,149

East Carroll Parish School Board

Agency Funds

SCHOOL ACTIVITY FUND The activities of the various individual school accounts are accounted for in the school activity agency fund. Although the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

RETIREMENT INSURANCE FUND The monthly receipt and payment of funds for the retirees' insurance benefits are accounted for in the retiree insurance fund. Although the account is under the supervision of the School Board, it belongs to the retirees and is not available for use by the School Board.

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 2000

Exhibit 3

	<u>SCHOOL ACTIVITY FUND</u>	<u>RETIREMENT INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ <u>90,255</u>	\$ <u>19,688</u>	\$ <u>109,943</u>
TOTAL ASSETS	\$ <u>90,255</u>	\$ <u>19,688</u>	\$ <u>109,943</u>
LIABILITIES			
Deposits due others	\$ <u>90,255</u>	\$ <u>19,688</u>	\$ <u>109,943</u>
TOTAL LIABILITIES	\$ <u>90,255</u>	\$ <u>19,688</u>	\$ <u>109,943</u>

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2000

Exhibit 4

	<u>Balance,</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2000</u>
*****SCHOOL ACTIVITY FUND*****				
ASSETS				
Cash and cash equivalents	\$ 73,554	\$ 204,064	\$ 187,363	\$ 90,255
	<u>\$ 73,554</u>	<u>\$ 204,064</u>	<u>\$ 187,363</u>	<u>\$ 90,255</u>
LIABILITIES				
Deposits due others	\$ 73,554	\$ 204,064	\$ 187,363	\$ 90,255
	<u>\$ 73,554</u>	<u>\$ 204,064</u>	<u>\$ 187,363</u>	<u>\$ 90,255</u>
*****RETIREMENT INSURANCE FUND*****				
ASSETS				
Cash and cash equivalents	\$ 29,093	\$ 72,627	\$ 82,032	\$ 19,688
	<u>\$ 29,093</u>	<u>\$ 72,627</u>	<u>\$ 82,032</u>	<u>\$ 19,688</u>
LIABILITIES				
Deposits due others	\$ 29,093	\$ 72,627	\$ 82,032	\$ 19,688
	<u>\$ 29,093</u>	<u>\$ 72,627</u>	<u>\$ 82,032</u>	<u>\$ 19,688</u>
*****TOTAL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 102,647	\$ 276,691	\$ 269,395	\$ 109,943
	<u>\$ 102,647</u>	<u>\$ 276,691</u>	<u>\$ 269,395</u>	<u>\$ 109,943</u>
LIABILITIES				
Deposits due others	\$ 102,647	\$ 276,691	\$ 269,395	\$ 109,943
	<u>\$ 102,647</u>	<u>\$ 276,691</u>	<u>\$ 269,395</u>	<u>\$ 109,943</u>

EAST CARROLL PARISH SCHOOL BOARD

**SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2000**

Exhibit 5

SCHOOL	Balance, Beginning July 1, 1999	Additions	Deductions	Balance, Ending June 30, 2000
Lake Providence Junior High	\$ 21,051	\$ 13,395	\$ 10,799	\$ 23,647
Lake Providence Senior High	7,323	84,118	74,446	16,995
Monticello High	23,686	32,166	33,624	22,228
Northside Elementary	3,009	19,308	17,071	5,246
Southside Elementary	5,899	28,260	23,797	10,362
Transylvania Elementary	<u>12,586</u>	<u>26,817</u>	<u>27,626</u>	<u>11,777</u>
Total	\$ <u>73,554</u>	\$ <u>204,064</u>	\$ <u>187,363</u>	\$ <u>90,255</u>

East Carroll Parish School Board

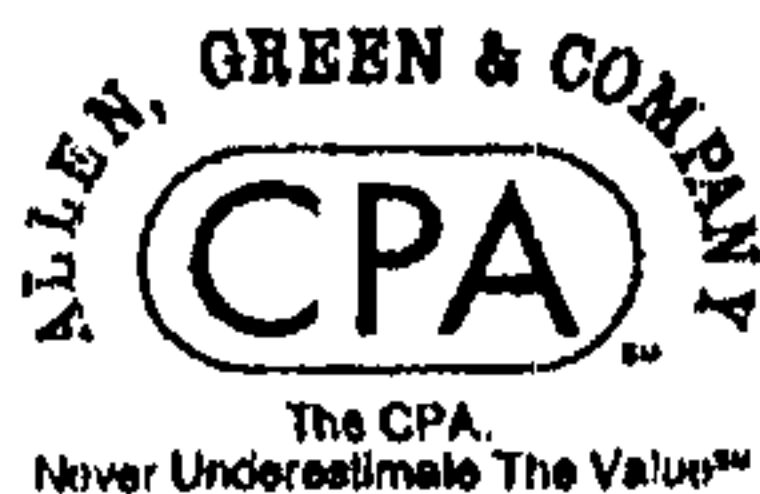
General

Exhibit 6

**Schedule of Compensation Paid Board Members
For The Year Ended June 30, 2000**

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$650 per month, and the president receives \$50 per month for performing the duties of his/her office.

<u>Board Member</u>	<u>Actual Salary</u>
Georjean Jackson, President	\$ 8,400
Ralph Coleman	7,800
Glenn Dixon	7,800
Gene Edmondson	7,800
Evangelia Fields-Combs	7,800
Fannie Hawkins	7,800
Tommy McKeel	7,800
Michael Owens	7,800
Buford Perry	<u>7,800</u>
Total	<u>\$70,800</u>



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1963 - 2000

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Costs as item 00-F1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 00-F1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Management Letter Items

We noted other matters involving the internal control over financial reporting which we have reported to management of the School Board in a separate letter dated October 6, 2000, included later in this report.

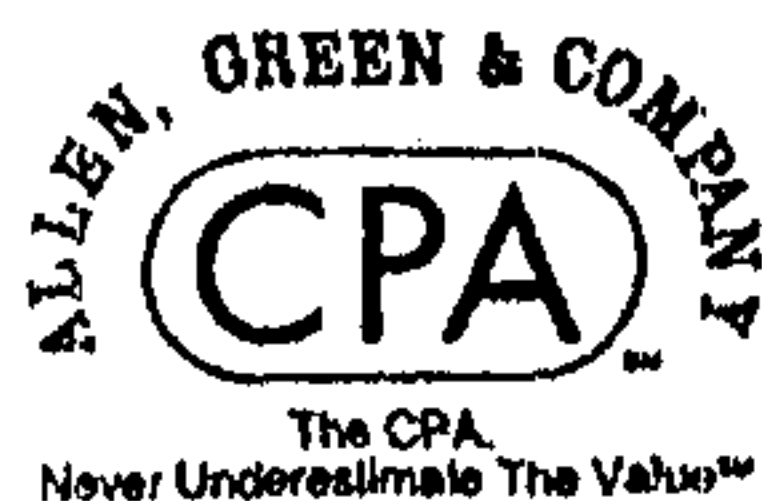
This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

October 6, 2000



ALLEN, GREEN & COMPANY, LLP

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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

Compliance

We have audited the compliance of the East Carroll Parish School Board, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the School Board, as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 6, 2000

**East Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000**

Exhibit 7

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
National School Lunch Program	10.555	N/A	\$ 524,753
School Breakfast Program	10.553	N/A	233,246
Summer Food Program for Children	10.559	N/A	25,170
Total United States Department of Agriculture			<u>783,169</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State-Administered Basic Grant Program	84.002	N/A	45,182
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	00-IASA-18-I	1,268,194
Special Education			
State Grants - Part B	84.027	00-IB-18-S	144,094
Preschool Grants	84.173	00-IP-18-S	8,379
Vocational Education			
Basic Grants to States	84.048	00-VE-18-2B/BG	60,734
School to Work	84.UKN	N/A	20,656
Title VI - Innovative Education Program Strategies	84.298	00-IASA-18-VI	14,715
Class Size Reduction	84.340	00-01-18-6	111,971
Title II - Eisenhower Professional Development State Grants	84.281	00-IASA-18-II	25,994
Title IV (Safe and Drug-Free Schools)	84.186	99-IASA-18-IV	11,614
Goals 2000			
State and Local Education Systematic Improvement Grants			
(GOALS 2000 State Grants)	84.276A	99-LI-18-L	48,087
Technology Literacy Challenge	84.318X	99-LCF-18-F	25,522
Total United States Department of Education			<u>1,785,142</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550	N/A	66,179
Total Noncash Federal Awards			<u>66,179</u>
Total Federal Awards			<u>\$2,634,490</u>

East Carroll Parish School Board
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the East Carroll Parish School Board. The East Carroll Parish School Board's (the "School Board") reporting entity is defined in note 1 to the School Board's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS Federal awards are reported in the School Board's general-purpose financial statements as follows:

<u>Federal Sources</u>	
General Fund	\$ 20,656
Special Revenue Funds:	
Title I	1,268,194
Title VI - Innovative Education	126,686
Title II	25,994
Title IV	11,614
IDEA	144,094
Preschool	8,379
Adult Education	45,182
Other Miscellaneous	134,343
Summer Feeding	25,170
Child Nutrition	824,178
Total	<u>\$2,634,490</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2000**

PART I - Summary of the auditors' results

Financial statement audit

- i. The type of audit report issued was unqualified.
- ii. There was a reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The reportable condition disclosed was not considered a material weakness as defined by the Government Auditing Standards.

- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of federal awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA #84.010 Title I Grants to Local Educational Agencies
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2000**

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and title: **00-F1** **Fixed Asset Listing and Safeguarding of Fixed Assets**

Entity-wide or program/department-specific: This finding is entity-wide with the exception of the special education fund.

Criteria or specific requirement: LSA-R.S. 24:515 (B)(1) requires the School Board to maintain records of all land, buildings, improvements other than buildings, equipment and other general fixed assets which were purchased or otherwise acquired, and for which the entity is accountable.

Good internal control requires safeguarding movable fixed assets. This is accomplished by tagging all movable fixed assets with a unique identification number and marking as School Board property.

Condition found: The School Board was unable to provide a comprehensive listing of fixed assets by location for all locations as of June 30, 2000. The last comprehensive list was prepared in June 1995. The School Board is in the process of performing a physical inventory at all locations and compiling a comprehensive listing of fixed assets. The inventory is complete at three schools.

At some locations movable fixed assets purchased since 1995 have not been tagged with a unique identification number nor marked as School Board property. This has been completed at three locations.

Proper perspective for judging the prevalence and consequences: Since July 1, 1995, the School Board has made additions and deletions to fixed assets of \$5,158,400 and \$106,194, respectively.

Possible asserted effect (cause and effect):

Cause: The person assigned this job resigned and no one was hired as a replacement for a period of time. Someone is currently assigned this responsibility.

Effect: The School Board is not in compliance with LSA-R.S. 24:515 (B)(1) at some locations which requires the School Board to maintain records of all land, buildings, improvements other than buildings, equipment and other general fixed assets.

The School Board does not have adequate controls over the safeguarding of movable fixed assets at some locations.

Recommendations to prevent future occurrences: The School Board should continue their efforts to compile a comprehensive listing of fixed assets.

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2000**

Finding reference # and title: **99-F1** **Accounting System**

Initially occurred: Fiscal year ended June 30, 1996.

Condition: The School Board does not have a centralized accounting system. The payroll function is a completely separate system. Because of this, all information created by the payroll system must be manually entered on the general ledger of the other funds. Also, the payroll system does not provide a general ledger.

Corrective action taken: The School Board purchased a centralized accounting system and it is currently in use.

Finding reference # and title: **99-F2** **Inadequate Separation of Duties**

Initially occurred: Fiscal year ended June 30, 1996.

Condition: Some employees have job duties in which they receive and deposit monies, maintain accounting records, initiate accounting transactions, and prepare bank reconciliations for a fund or function.

Corrective action taken: Responsibility for bank reconciliations is assigned to give adequate separation of duties.

Finding reference # and title: **99-F3** **Fixed Asset Listing and Safeguarding of Fixed Assets**

Initially occurred: Fiscal year ended June 30, 1998.

Condition: The School Board was unable to provide a comprehensive listing of fixed assets by location as of June 30, 1999. The last comprehensive list was prepared in June 1995. Although the School Board adjusts the general ledger to reflect additions and deletions each year, the list has not been maintained for additions nor deletions.

At some locations movable fixed assets purchased since 1995 have not been tagged with a unique identification number nor marked as School Board property. This has been completed at three locations.

Corrective action planned: Responsibility for the fixed asset listing has been assigned to a central office employee. The physical inventory and listing is at the present time complete at three schools. We will continue these efforts until the listing is complete at all locations.

Finding reference # and title: **99-F4** **Student Activity Funds**

Initially occurred: Fiscal year ended June 30, 1999.

Condition: As part of our auditing procedures, two schools were haphazardly selected to review the accounting records and internal control structure at each school. At each school, the bookkeepers responded to a questionnaire provided by the external auditor, bank reconciliations were tested for accuracy, and fourteen receipts and twenty-four disbursements were tested for certain attributes.

The following was noted at Lake Providence Senior High:

1. Four receipts of cash could not be traced to the deposit slip because no detailed information was kept for the deposit.
2. One receipt was not deposited timely.
3. One receipt could not be traced to the cash receipts journal.
4. Five receipts could not be traced to original documents (i.e., teachers' log).

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2000**

5. Eleven disbursements had no documentation to support charge. Because there was no supporting documentation, we could not determine if the payments were approved by authorized personnel, if the invoices were current when paid, or if the charges were necessary and reasonable.
6. Eight disbursements were not current when paid.
7. Five disbursements were paid from copies of invoices.
8. The financial records were in disorder.
9. School has more than one checking account.

The following was noted at Northside Elementary:

1. No receipts were issued prior to January 29, 1999.
2. Fourteen receipts could not be traced to deposit for receipts issued after January 29, 1999.
3. Nine disbursements were not supported by adequate documentation.
4. Three disbursements were not current when paid.
5. Reimbursements for travel were not reimbursed according to School Board policy.

Partial corrective action taken: Problems noted in the finding were communicated to school personnel. In addition, all schools were monitored by a supervisor from the central office during the 99-00 school year. Findings and corrective action needed were communicated to school personnel.

Finding reference # and title: **99-F5**

Request for Reimbursement

Federal program and specific federal award identification:

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Federal Award Year</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	99-IASA-18-I	1999
Technology Literacy Challenge	84.318X	99-LCF-18-F	1999

Initially occurred: Fiscal year ended June 30, 1999.

Condition: In testing claims for reimbursement, we noted the following:

In Title I, three instances where funds were requested for reimbursement before the program costs were paid.

In Technology Literacy Challenge, seven instances where funds were requested for reimbursement before the program costs were paid.

Corrective action taken: Costs were actually paid by the general fund before being requested for reimbursement.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
As of and for the Year Ended June 30, 2000**

Finding reference # and title: **00-F1**

Fixed Asset Listing and Safeguarding of Fixed Assets

Condition: The School Board was unable to provide a comprehensive listing of fixed assets by location for all locations as of June 30, 2000. The last comprehensive list was prepared in June 1995. The School Board is in the process of performing a physical inventory at all locations and compiling a comprehensive listing of fixed assets. The inventory is complete at three schools.

At some locations movable fixed assets purchased since 1995 have not been tagged with a unique identification number nor marked as School Board property. This has been completed at three locations.

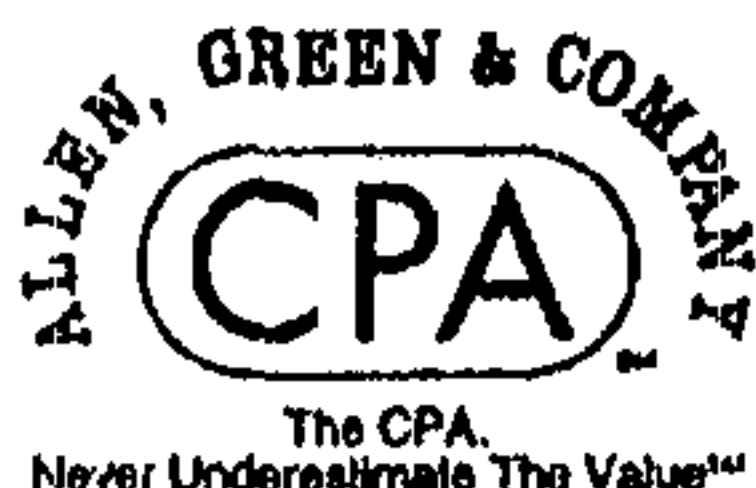
Corrective action planned: Responsibility for the fixed asset listing has been assigned to a central office employee. The physical inventory and listing is at the present time complete at three schools. We will continue these efforts until the listing is complete at all locations.

Person responsible for corrective action:

Marrage Facen, Superintendent
East Carroll Parish School Board
P. O. Box 792
Lake Providence, LA 71254-0792

Telephone: (318) 559-2222
Fax: (318) 559-3864

Anticipated completion date: By June 30, 2001.



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1963 - 2000

Management Letter

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

In planning and performing our audit of the general-purpose financial statements of the East Carroll Parish School Board, for the year ended June 30, 2000, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 6, 2000, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

00-M1 Bank Reconciliations

Comment: Monthly-bank reconciliations should be performed as an internal control over cash.

The bank accounts for several funds remained unreconciled for several months during the audit period.

Recommendation: All bank accounts should be reconciled within a few days' receipt of the bank statement.

Management's response: Personnel performing bank reconciliations needed time to familiarize themselves with the new accounting software. Bank reconciliations will be kept up to date in the future.

00-M2 Student Activity Funds

Comment: Two schools were visited to monitor student activity funds. Ten receipts and ten disbursements were tested at each school for various attributes. The following exceptions were noted:

Receipts: One school did not include receipt numbers on deposit slips. Both schools had instances where receipts were deposited as long as seven days after receipt.

Disbursements: Both schools had one disbursement each which included sales tax. Schools should not pay sales tax on purchases.

Recommendation: The School Board should continue the practice of monitoring the student activity funds on a regular basis. Attention should be focused on including receipt numbers on deposit slips to provide an audit trail, timely deposits of receipts, and careful review of invoices to ensure sales tax is not paid.

Management's response: The School Board will continue to monitor student activity funds on a regular basis and stress the importance of timely deposits, providing an adequate audit trail and review of invoices.

00-M3 Voided Checks not Defaced

Comment: In testing disbursements of the School Board we noted two voided checks which had not been defaced.

Recommendation: It is important for control purposes that voided checks be defaced. The signature line should be either cut out or 'VOID' written in ink across the lines.

Management's response: Employees will be reminded to deface void checks by cutting out the signature lines.

* * * * *

Included immediately following this letter is a Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Company, LLP and no opinion is expressed. However, we did follow-up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by the auditee, and we would report, as a current-year management letter item when Allen, Green & Company, LLP concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter item.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 6, 2000

**East Carroll Parish School Board
Status of Prior Management Letter Items
June 30, 2000**

Reference # and title: 99-M1 Vocational Agriculture Funding

Comment: LSA-R.S. 17:181 requires that each LEA allocate to each secondary school, no less than \$50 per student for each student enrolled in a vocational agriculture, agribusiness, or agri-science program.

Based on the number of eligible students, a total of \$7,600 should have been allocated for the purpose. For the fiscal year ended June 30, 1999, the School Board allocated \$3,470.

Management action taken: The statutorily required allocation was made for the 99-00 school year.

Reference # and title: 99-M2 The General Fund Column of the AFR Did Not Match the General Fund Trial Balance

Comment: Each year the School Board submits an Annual Financial Report (AFR) to the Louisiana Department of Education. This report should reflect the transactions for the School Board for the year being reported. Certain federal grants can be reported in the general fund column of the AFR. All other federal grants must be reported in other columns of the AFR.

Currently, the School Board has several federal grants recorded on the general ledger of the general fund. To correctly submit the AFR each year, these other federal grants must be removed from the trial balance of the general fund. Completing the AFR would be simplified if the information recorded on the general ledger of the general fund was the same as what is required for the AFR. Also, this would allow better monitoring of the expenditures for these federal grants.

Management action taken: Federal grants are recorded in separate funds due to the use of new accounting software.

Reference # and title: 99-M3 Travel Reimbursements

Comment: In testing travel reimbursements, it was noted that some requests for reimbursement did not have receipts attached. Three requests did not have any explanation as to the number of meals they were reimbursed. Having the receipts attached to a request for reimbursement allows the person approving payment to know what exactly is being reimbursed.

Management action taken: Travel reimbursements are monitored for compliance with School Board policy.

Reference # and title: 99-M4 Bank Reconciliations

Comment: Monthly-bank reconciliations should be performed as an internal control over cash.

The bank account for the payroll fund remained unreconciled for several months during the audit period.

Management action planned: See current-year management item 00-M1.

Reference # and title: 99-M5 Title I Salaries

Comment: To be allowable costs, salaries in federal award programs must be the same as salaries for the same position in non-federal award programs.

The Title I clerk is paid more than the other clerks who work for the School Board.

**East Carroll Parish School Board
Status of Prior Management Letter Items
June 30, 2000**

Management action taken: The School Board requests from Title I only the portion of the clerk's salary attributable to the salary schedule.

99-M6 Title I Request

Comment: During field work, it was noted that Title I requests funds for utilities in advance. The amounts being requested were estimates and at the end of the year, the final amount was "settled up." The actual utilities are being paid by the general fund each month and a couple of times a year Title I will reimburse the general fund for Title I utilities that have been paid by the general fund.

Title I compliance requirements state that for school boards funded on a reimbursement basis, program costs must be paid for by school board's funds before a reimbursement is requested from the federal government. There is one exception to this requirement; salaries can be requested one month in advance.

Management action taken: Utilities are requested from Title I as paid and actual utility costs is requested.

Reference # and title: 99-M7 Uniform Unclaimed Property Act of 1997

Comment: The Uniform Unclaimed Property Act of 1997 (LSA-R.S. 9:151 - 181) requires governments and governmental subdivisions or agencies, such as the School Board, to follow certain procedures regarding property that is presumed to be abandoned as defined in the Act.

LSA-R.S. 9:154(A) states that:

"Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property for the following:"

LSA-R.S. 9:154(A)(10) states:

"Property held by a court, state or other government, governmental subdivision or agency, public corporation, or other public authority, one year after the property becomes distributable, except as provided in R.S. 15:86.1..."

LSA-R.S. 9:154(A)(11) states:

"Wages or other compensation for personal services, one year after the compensation becomes payable."

Therefore, the Act appears to apply to both property and for wages or other compensation for personal services which is deemed abandoned one year after the property becomes distributable or the compensation becomes payable. Assuming that the Act applies to these items, the School Board is required to report the property and pay funds equal to the value of the property to the Secretary of the Louisiana Department of Revenue on an annual basis.

One situation which School Boards encounter fairly frequently and which may fall under the provisions of the Act involves old outstanding checks. Both vendor and payroll checks which have been outstanding for more than one year from the date of issuance appear to meet the definition of abandoned property under the Act. Annually, these checks would be reported and the funds remitted to the Secretary of the Louisiana Department of Revenue in accordance with the Act. They could not be voided and the cash returned to the book balance.

There may be situations other than old outstanding checks to which the School Board should consider whether or not the Act would apply.

Management action taken: The School Board made the required reporting to the Louisiana Department of Revenue.